



Transaction Privilege Tax Changes and News

This publication is an informational notice included with the November 2004 Transaction Privilege Tax Return.

TOWN OF PAYSON

Effective January 1, 2005: On October 28th, 2004 the Mayor and Town Council of the Town of Payson passed ordinance number 665. Ordinance 665 increases the Payson Town Privilege Tax from **2% to 2.12%**. The tax rate increase affects the following classifications:

Advertising; Amusements; Construction Contracting; Job printing; Manufactured buildings; Timbering and other extraction; Publishing; Rental Occupancy; Hotels; Rental of real property; Rental of tangible personal property; Retail sales; Restaurants and Bars; Telecommunications; Transporting for hire and Utilities.

The increase imposed by this ordinance shall not apply to contracts entered into prior to the effective date of the ordinance. Pre-existing contracts should be reported using **PS009** at a rate of **2%**.

CITY OF GOODYEAR

Effective January 1, 2005: On September 27th, 2004 the Mayor and City Council of the City of Goodyear passed ordinance number 04-914. Ordinance 04-914 increases the **Additional Tax on Transient Lodging from 2% to 2.5%**. The Additional Tax on Transient Lodging shall be reported using **Code GY003**. The total city rate for transient lodging is **4.5%, 2%** which is reported using code **GY000** and **2.5%** which is reported using code **GY003**.

On September 27th, 2004 the Mayor and City Council of the City of Goodyear passed ordinance number 04-915. Ordinance 04-915 increases the Goodyear City Privilege Tax on Construction Contracting Section 415, 416 and 417 from **2% to 3.5%**. The tax on Construction Contracting shall be reported using **GY006**.

The increase imposed by ordinance 04-915 shall not apply to contracts entered into prior to the effective date of the ordinance. Pre-existing contracts should be reported using **GY008** at a rate of **2%**.

On September 27th, 2004 the Mayor and City Council of the City of Goodyear passed ordinance number 04-916. Ordinance 04-916 increases the amount at which a lower tax rate applies for a single item retail purchase from **\$2,000 to \$5,000**. If a **single item** is sold at a cost of **\$5,000** or more, the privilege tax, under the retail tax classification will be taxed at a rate of **1.2%**. This will be reported under **Code GY004**.

CITY OF WILLIAMS

Effective January 1, 2005: On October 14th, 2004 the Mayor and City Council of the City of Williams passed ordinance number 841. Ordinance 841 increases the Williams City Privilege Tax from **4.25% to 4.50%**. The tax rate increase affects the following classifications:

Hotels and Restaurants and Bars.

Hotels shall be reported using **WL003** (not in addition to WL000).

Restaurants and Bars shall be reported using **WL009**.

AZTAXES.GOV

AZTaxes is the department's user –friendly website where you can register your business, file and pay business taxes, and communicate with the department in a secure environment.

Simply log on to www.AZTaxes.gov, and click on the link to the tutorial. "Cactus Tax" will guide you on a tour of the site, demonstrating all of the functions available. It's easy, it's fun, and it's free. Take a tour of AZTaxes.gov. today, your door to DOR!

Check it out!

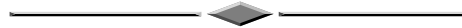
www.AZTaxes.gov

NEW TPT-1 DEDUCTION CODES (SCHEDULE A, PAGE 2)

The Deduction Type Code listing has been reorganized. While the numbers for each deduction code remain the same, the list has been reorganized alphabetically for convenience. Seven new deduction codes have been added, either to clarify existing statutory exemptions or for recently enacted exemptions.

The new deduction codes are:

- 552** - Tangible personal property sold to a taxable PRIME CONTRACTOR or sub to be physically incorporated into a project or structure
- 553** - Machinery and equipment used in research and development
- 554** - Qualifying machinery and equipment sold or rented to a “HEALTHY FOREST” certified business
- 555** - Prime Contracting: Income derived from a “HEALTHY FOREST” project by a qualified contractor
- 556** - Motor Vehicle Lease: First month’s lease payment transferred to a third party leasing company
- 557** - Prime Contracting: Income derived from direct costs of providing architectural / engineering services
- 558** - Bad Debt deduction



DEPARTMENT OF REVENUE TELEPHONE NUMBERS & WEB ADDRESSES

<u>Individual & Corporate Income Tax</u>	(602) 255-3381
Toll-free from area codes 520 and 928	(800) 352-4090
<u>Transaction Privilege Use, Withholding Tax, Licensing</u>	(602) 255-2060
Toll-free from area codes 520 and 928	(800) 843-7196
<u>Hearing Impaired TDD User</u>	(602) 542-4021
Toll-free from area codes 520 and 928	(800) 397-0256
To order forms by phone	(602) 542-4260
Forms by fax	(602) 542-3756
Forms and instructions are also available on our website at	www.azdor.gov
Businesses can now register, file and pay online at	www.AZTaxes.gov